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NAZI WAR CRIMES DISCLOSURE ACT

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The Krupp Merger

LAST week's merger between the Rheinhausen steel group and the Bochumer Verein carries on the process of reconcentration that has been going forward in the Ruhr for several years. The main medium-sized Ruhr firms—Mannesmann, Hoesch, Klöckner—have long since recombined coal with steel and steel with engineering. The Vereinigte (united) group, biggest of all before the war, has not regained its former size. But out of it have emerged three major groups, two owned by separate branches of the Thyssen family; each of the three produces 2 to 3 million tons of steel. Now the main steelworks in the Krupp group has merged with another descendant of Vereinigte. Under the allied deconcentration laws Herr Alfred Krupp was obliged to sell his holdings in coal and steel. As a result he sold his "Constantin der Grosse" coalmines to his Swedish friend, Hr Axel Wenner-Gren, who had already acquired control of the Bochumer Verein. Now both firms have been bought by the Krupp group and merged with the Rheinhausen steelworks, which Herr Krupp never sold. The combined group produces some four million tons of steel a year. The 3.8 million tons of coal it produces, mainly from the Constantin der Grosse mines, should cover 75 per cent of its coke needs. A large proportion of its steel output will go to the engineering industries to which Herr Krupp has devoted his energies since the allies sought to keep him out of coal and steel.

The move has the consent of the High Authority of the European Coal and Steel Community. There is no political provision in the treaty which could justify rejection, and since other French and German firms in the community are already larger, there could not very well be a refusal on economic grounds. But a special and somewhat controversial order has been imposed on the new group: all investment must have the blessing of the High Authority.

The merger still offends the allied deconcentration order, which the west German government took over when it attained sovereignty and which is supposed to be in full effect by 1960. But Bonn is hardly likely to enforce it. Hitherto, Herr Krupp's main argument against carrying out the order has been that there was no one who could afford to buy. The new repurchase suggests that he is reasonably confident that it will lapse altogether. Whether he will succeed in getting a waiver on his personal commitment to the allies to give up the management, as well as the ownership, of his coal and steel works, remains to be seen. Hitherto Herr Krupp has kept his obligation on management, but he is not the only German to regard both provisions as economically unjustifiable and imposed under

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